WEALTH MARKETS AND COMMERCE

Finance - Economics

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Friday, October 6, 1916.

To quarrel with the improbable has become a vanity. The unexpected comes naturally and gently to pass in its own way. Stocks that have gone up extravagantly are still selling for less than nothing. We import gold from Great Britain in ships and export bank credit to London by cable at the same time, the gold and credit crossing. Wall Street is naive and credulous. The public is sophisticated. Therefore, one must restrain the impulse to take things for what they seem. The Equitable Building may be a myth and the Stock Exchange a butternut tree. When the head of a great institution, who must be referred to as "an important financial interest," calls in the financial news reporters by telephone and communicates to them international political information of the very highest importance, namely, that the American Ambassador to Berlin, now on the sea, is positively the bearer of peace proposals from Germany, one should distrust appearances and first inferences. Suspicion, irony and unbelief have cost Wall Street a great deal of money. It did not begin to believe in miracles until the public had nearly all the stocks. In the same way it has never believed that information of great interest to the holders of stocks was imparted from high places for altruistic reasons. That is a prejudice it may overcome in time, with a little more inverted experience. This would all be much more interesting, however, if the information itself had been news. The manner of putting it out was unique, and that was all. That Mr. Gerard might be coming home on a peace errand was printed in all the papers of the world some days ago.

Peace is like the end of the world. It will come. The only uncertainty is as to the time. The true rumor of its coming will sound in no way different from the many false rumors that were heard before, so that in all probability the thing when it happens will fall as a tremendous surprise. Nobody will have believed it to be imminent, least of all those who had been gambling on the further life of the war.

Japan takes pride in the fact that during the first half of 1916 she sold to China more goods than China sold to her, so that there remained for Japan what she has learned from the Western world to call a "favorable balance of trade." It would seem that in international trade the ideal is to sell your customer all he can be persuaded to buy, whether he can afford it or not. The economic effect upon the importing nation is seldom if ever considered. China is the perfect example. The world has been continually engaged in selling her more than she could afford to buy, hence her chronic indebtedness. In ten years, 1901 to 1912, inclusive, China's imports were 3,402 million dollars worth. Her exports in the same years were of the aggregate value of only 2,356 million dollars. She bought, therefore, 1,046 million dollars' worth of goods more than she sold, and that represents her "unfavorable balance of trade." The problem now is to find in China the security on which to lend her the money with which to go on buying more goods than she sells, running further into debt. The Western trader, overselling his China customer, has impoverished that customer. Here is an evil which will have to be dealt with before foreign trade can ever be elevated to a plane of scientific, even moral, merchandising. Every merchant in his own land knows the consequences of overselling. It spoils his market. He has not begun to see it clearly in the case of the foreign customer.

Economic writing of the old style is rich in allusions to the hostility of labor toward every improvement in the means of production. It is proved to the point of having become an assumption that every labor saving device now in existence has been introduced over the more or less bitter opposition of labor. It is proved, moreover, that in the outcome labor has been benefited in spite of its stupidity. Its arms and legs and general productive power have been multiplied by machinery several hundredfold. The aggregate of production has been increased faster than the population, so that every one has been able to consume more goods. The world is richer. The economist is preoccupied with ultimate consequences, and forgets the human suffering through which this is achieved. Until recently he never stopped to ask if the suffering might not be avoided. It is refreshing and significant, therefore, to find economic writing of the humanistic school in a publication such as the monthly circular of the National City Bank. On the subject of labor's classic antagonism to the inventions of capital is says:

> No one can make a study of the attitude of labor organizations toward machinery and all changes in the methods of production which seem to dispense with labor without recognizing that the fear of unemployment is behind it all, and this anxiety should enlist sympathetic consideration. It has been the spectre at the workingman's fireside for generations, and planted apprehensions deeply in his mind. He sees that the direct and immediate effect of machinery is to displace labor, and he hears even experienced and presumably well-informed men talk of over-production. It is not strange that he should fail to follow the new influences to their ultimate effects or that he should rebel against sacrificing immediate interests for a general good which he is not sure he will share.

The attitude of labor toward labor saving devices, toward efficiency, toward any means by which it is proposed to increase the productivity of the economic unit, has been determined largely, if not altogether, by the attitude of capital toward labor. Labor was a commodity. There was less tenderness for it than for the machines with which it was displaced. The purpose of displacing it was to reduce the labor cost of production, and there was never any thought, until recently, of the employer's moral obligation to share the cost of change. He would not throw a machine out of doors when the season of its activity was at an end, or because it was temporarily idle for lack of orders; he would turn his labor off without a scruple. If by the introduction of a better machine he could afford to scrap an old one he would take his loss on the old one and make it up on the profits derived from the more efficient device. But the labor displaced by a labor saving machine could take care of itself. He charged the business nothing for scrapping that.

A Fantastic Door.

According to the first sense of the Economic Alliance the door of trade was to be wide open to the members of the alliance, half-open to neutrals and closed to Germany, during the period of transition from war to peace and perhaps for all time beyond. Now comes the London Chamber of Commerce proposing that the English door shall have a fourth position, which shall be, in fact, the very first position. It shall be wide open only for the several parts of the British Empire. It shall be hospitably open to the Allied countries, half-closed to neutrals, and either closed entirely to "enemy" traders or subject to sudden variations of position, as the circumstances require. Technically it is set forth in the following words, taken from the second report of the Special Committee on Trade During and After the War to the Council of the London Chamber of Commerce:

> The committee desire in the first place to remind the council that they have adopted the following recommendations:
> That any measures which may be considered in connection with trade during and after the war should provide:
> For preferential reciprocal trading relations between all parts of the British Empire;
> For reciprocal trading relations between the British Empire and the Allied countries;
> For the favorable treatment of neutral countries, and
> For regulating, by tariff and otherwise, trade relations with all enemy countries so as to render impossible a return to pre-war conditions.

Ourselves, our side, all others, and the enemy! That is the order of all human preference. It is beautiful to have it avowed, though it is painful to hear the future of trade discussed in terms of *allies, neutrals* and *enemies*, as if such relations would permanently endure.

The committee thinks without reservation that trade on equal terms between the nations of the world is at an end. The United Kingdom has "most favored nation" treaties with non-Allied countries, for instance, with the United States. These treaties, the committee thinks, will have to be terminated "with or without compensation, as otherwise any preference given to the overseas dominions and dependencies and Allies would be claimed by other countries." The "most favored nation" treaty is the one by which the trade of the civilized world was conducted before the war. Nearly all nations subscribed. It was a treaty providing that the most advantageous trade terms extended by one country to any other were automatically extended by it to all other countries that had similarly agreed to give to all other countries the treatment accorded to the "most favored nation."

The committee then works out a definite schedule of tariffs, as follows: For British Empire countries, 10%, 5%, 2½% and free; for friendly neutrals, 20%, 10%, 5% and 2½%. Other neutrals, 20%, 10%, 5% and 2½%, plus a surtax equal to any preference given to other countries. For enemy countries, 30%, 15%, 7½% and 5%.

And the purpose as to the rates last named is "to penalize the trade and shipping of present enemy countries with the British Empire and Allied countries."

Money and Credit

Money on call at the New York Stock Exchange ruled unchanged at 2½ per cent, although some loans were placed as low as 2¼ per cent.

Business in time funds on brokers' Stock Exchange collateral is only moderate in volume, with renewals of mixed money at 3½ per cent for over the year. Interior banks continue to loan here, while local banks are transferring funds to London to take advantage of the stiffer rates there.

Ruling rates on money yesterday compared with a year ago were as follows:

	Yesterday.	A year ago.
Call money....	2¾%	1¾%
Time money:		
60 days....	3%	2½%
90 days....	3 @3¼%	3 %
4 months....	3½%	3 %
5 to 6 mos...	3½%	3@3¼%

Commercial Paper.—While only a few institutions are interested in commercial paper, their demand is enough to take care of the light offerings. The market is generally on a 3½ to 3¾ per cent basis for regular periods, but occasionally a trade is made at 3¼ per cent for extra fine paper.

Official rates of discount at each of the twelve Federal districts are as follows:

	Maturity in days. 10d.	30d.	60d.	90d.
Boston	3	3½	4	4
New York	*3	4	4	4
Philadelphia	*3½	4	4	4
Cleveland	3½	4	4½	4½
Richmond	4	4	4	4
Atlanta	4	4	4	4
Chicago	3½	4	4½	4½
St. Louis	3	4	4	4
Minneapolis	4	4	4½	4½
Kansas City	4½	4	4½	4½
Dallas	3½	4	4	4
San Francisco	3½	4	4½	4

*15-day paper.

Bank Exchanges.—The day's clearings at New York and other cities:

	Exchanges.	Balances.
New York	$599,667,743	$23,829,064
Baltimore	6,558,513	414,421
Boston	35,421,004	4,525,835
Philadelphia	61,552,791	4,067,162

Sub-Treasury.—New York banks gained from the Sub-Treasury $101,000.

Silver.—Bars in London, 32⅛ pence; bars in New York, 68⅞ cents; Mexican dollars, 52½@55⅛.

New Foreign Financing.—Shrinivas R. Wogel says in his bullion letter: The Russian loan is still the topic. Pourparlers for the British loan of $250,000,000 are going on, and the loan may be issued during October. It is understood that Chile is in the market for a loan, the amount and the terms being now under discussion."

Week's Money Currents.—The reported movements of currency this week indicate a loss by the banks of about $17,000,000, according to Dow, Jones & Co. They received from the interior $9,472,000 and shipped to the interior $9,142,000, including $1,000,000 transferred through the Sub-Treasury to San Francisco and $1,437,000 national bank notes sent to Washington for redemption. The interior gain was $330,000.

The Dollar in Foreign Exchange.

Rumors of peace had little effect on exchange rates. Marks were slightly firmer. Sterling was unchanged.

	Yesterday.	Week ago.
Sterling, demand	4.75⅞	4.75 11/16
Sterling, sixty days	4.71½	4.71¾
Sterling, cables	4.76⅞	4.76⅛
Sterling, ninety days	4.69¼	4.69½
Francs, demand	5.84¾	5.84⅝
Francs, cables	5.83½	5.83⅞
Guilders, checks	40⅝	40¾
Guilders, cables	40½	40⅞
Reichsmarks, checks	70⅛	70⅝
Reichsmarks, cables	70¼	70¾
Lire, checks	6.47	6.46⅝
Lire, cables	6.46½	6.46⅛
Swiss, checks	5.31⅜	5.31¾
Swiss, cables	5.31	5.31⅛
Austrian kronen, ch'ks	12.10	12.00
Stockholm, kr., checks	28.40	28.45
Copenhagen, kr., checks	28.20	28.25
Pesetas, checks	20.12	20.10
Rubles, checks	32.10	32.10

Below is given the current exchange value of foreign money in dollars and cents, together with the intrinsic gold parity, as calculated by the United States Mint:

	Current exchange value.	Intrinsic value.
Pounds, sterling	$4.75¾	$4.86⅝
Francs	0.17.1	0.19.3
Guilders	0.40¾	0.40.2
Marks	0.17.5	0.23.8
Rubles	0.31.85	0.51.2
Lire	0.15.5	0.19.3
Crowns (Denmark)	0.28.20	0.26.8
Crowns (Sweden)	0.28.40	0.26.8

The above rates express the cost of foreign money in terms of the American dollar. For example, when you buy an English pound sterling for $4.75¾ the intrinsic parity is $4.86⅝ per pound. Thus, you may say either that pounds are at a discount or that dollars are at a premium, which is owing to the fact that in England the demand for dollars with which to settle accounts in this country is greater than the demand in this country for pounds with which to settle accounts in England.

A banking institute the object of which is to promote Italian shipbuilding and shipping interests has been organized at Rome, with a capital of $20,000,000.

LONDON LOOKS TO ACTIVITIES AFTER THE WAR

Success of Paris Loan Is Encouraging to Entente.

By FRANCIS W. HIRST.
[By Cable to The Tribune.]

London, Oct. 6.—The buoyancy of American finance, maliciously described as inflation by one of our Washington correspondents, is an important aid to the markets here and in Paris. The success of the City of Paris loan has undoubtedly encouraged our Allies.

Much interest is felt in The Tribune's report about German peace overtures, which harmonizes with later interpellations of Lloyd George in the interviews published by "The Manchester Guardian" and "Nation."

According to "The Financial News," the interview was directed against domestic pacifists in high circles.

Great activity is reported in the after war trading committees, which have been so constituted they will almost certainly go protectionist. Meanwhile, business opinion steadily revolts against any extension of bureaucratic regulations. No more red tape, or black tape, either, need be woven for British business consumption when the war is over.

An important North Country steel maker informs me to-day that the present iron and steel production is mainly for government purposes, directly or indirectly. He thinks British railways will require a lot of rails after the war.

One feature of the war has been the large capital expenditure in plants paid for out of the huge profits made by steel mills working on government orders.

This suggests the likelihood of overproduction, followed by a price slump and unemployment after the "outbreak of peace."

LOAN TO DUBLIN IS UNDER NEGOTIATION

A dispatch from Dublin yesterday stated that the Corporation of Dublin is arranging for a special meeting to consider an offer by the National City Bank to make a loan of $5,000,000 to the city for rebuilding and housing operations.

It was admitted at the National City Bank that negotiations with the municipality of Dublin for a loan were under way, but information as to the amount was withheld. The loan, it was said, would be made through the bank's London office, if the terms were satisfactorily arranged.

Commenting on the recent successful introduction of English municipal securities to the New York market, the London "Statist" points out that these will prove the forerunner of several similar transactions in the early future. Among the cities mentioned as likely to seek aid here are Birmingham and Liverpool.

IMPORTS OF IRON ORE FROM BRAZIL

A large Eastern Pennsylvania steel company is reported to have closed a deal for 200,000 tons of Brazilian manganese ore for shipment over the whole of 1917. Other interesting developments in connection with South American trade include further sales of pig iron and structural steel. American cast iron pipe founders expect to receive an order in whole or in part for 60,000 tons of cast iron water pipe for Buenos Ayres this month.

Japan has succeeded in purchasing a few thousand tons of steel plates for ship work, paying as high as 4½ cents a pound. Spain has also come into the market for marine and structural plate in lots of from 1,000 to 2,000 tons.

FRISCO ENDS YEAR WITH A SURPLUS

Gross Earnings for 1916 Increase Over $5,000,000.

Receivers of the St. Louis & San Francisco Railroad Company for the year ended June 30 last report an increase of $5,428,817 in gross earnings and a gain in operating income of $2,333,380. The former is an increase of 12 per cent and the latter of 21 per cent over the previous fiscal year. The surplus carried to profit and loss account was $1,481,090, against a dficit in 1915 amounting to $1,284,872.

Items under operating expenses showed that $2,252,013 more was spent last year for maintenance of way and equipment than during the previous year. The total increase in operating costs was $2,936,720. The income account shows the following changes compared with 1915:

	1916.	Increase.
Gross earnings...	$48,027,788	$5,350,465
Operat. expenses..	32,775,759	2,936,720
Operating income (after taxes)...	13,432,304	2,333,380
Misc. income.....	749,023	571,842
Total net income.	14,181,327	2,510,560
Total charges.....	12,700,237	*255,202
Balance	1,481,090	2,765,762

*Decrease.

The fixed charges are based on the capitalization of the old company. Under the recapitalization plan soon to go into effect fixed charges will amount to $9,158,190, with additional contingent interest charges amounting to $4,544,389.

The company's balance sheet showed a reduction in long term debt of $33,683,709, which was largely accounted for by the transfer of an issue of $23,582,818 New Orleans, Texas & Mexico Division first mortgage bonds to that railroad.

BRITISH CREDITS ARE NEEDED IN ARGENTINA

London Publication Suggests Drawing on Gold Reserves.

From London the suggestion comes that Argentina in return for past favors ($2,000,000,000 of British capital has gone into Argentine investments in recent years) might be induced to grant Great Britain substantial credits as an additional means of assisting the maintenance of sterling exchange rates abroad. Such credits, it is pointed out, might be obtained by putting up British-held Argentine securities as collateral against which Great Britain would be permitted to draw on Argentina's large gold reserves.

According to "The South American Journal," a London publication, with which the idea apparently originated, the Argentine government has in the Caja de Conversion at Buenos Ayres $253,050,631 gold, and, in addition, possesses $63,763,233 gold in various legations abroad, so that for the purpose of guaranteeing its paper currency in circulation Argentina holds $316,813,865 total gold. This is equal to more than 70 per cent of the paper in circulation.

As to the possible use of some of this gold as the basis for British credits, "The Journal" says:

> This huge sum of £63,000,000 which Argentina possesses in gold coin and bullion does not, and never has, produced any interest, either to the Conversion Office or to the country, and while it has performed a useful purpose, it represents a large sum of money lying idle, which at 6 per cent would yield about £3,750,000 for interest per annum, all of which has been lost to the country.
>
> In view of the fact that the Conversion Office is established under a very fixed law of Argentina, which could not be altered without full parliamentary sanction, and any attempt to induce the country to lend any portion of that gold to Great Britain would meet with much opposition, it would be impolitic to make any suggestion to that end, but it seems to us that if negotiations were carried on in a businesslike way there ought to be no difficulty in inducing Argentina to grant this country a credit of, say, £40,000,000, which, under the present circumstances, would be extremely useful to us in maintaining exchange abroad. It should be easy for the British government to obtain the deposit, either voluntarily or by other means of British-owned Argentine government bonds, first class Argentine railway and tramway debentures, etc., and by this means obtain a fund of, say, £80,000,000 nominal, which could be deposited in New York or some other centre as collateral for a credit loan of £40,000,000 from Argentina. That country would not need to part with any of its gold, but its equivalent in paper dollars, which Great Britain could draw upon either in London or Buenos Ayres.

TURNING WAR'S WASTE TO THRIFT

Canadian Savings Bank Accounts To Be Available for Loans.

Ottawa, Ont., Oct. 6.—It has been decided by the Finance Department to make use of the 3,000 branch offices of the Canadian Bank in the next domestic war credit. The plan is to allow an individual to open a savings account with the understanding that when it reaches a modest amount, probably $10, the account will be turned into a war saving certificate, paying possibly 5 per cent.

By S. ROY WEAVER.

Toronto, October 5.

Although allotments of the second Canadian domestic war loan have not yet been completed, Sir Thomas White, Minister of Finance, has already given some considerable thought to the question of future issues. While the loan of last November and the one now being allotted were both oversubscribed to the extent of 100 per cent, the splendid success in each case was due chiefly to the response of corporations and wealthy individuals. Citizens of modest means represent a large and as yet practically unimpaired resource for further government borrowings, and consideration is now being given to the devising of a security which will appeal to them. With this in view, the Minister of Finance and the banks are planning to extend their thrift campaign and educate the general public to the importance of lending even small sums to their country for the purposes of the war. In brief, future Canadian war loans are to be popularized.

Subscriptions to the $100,000,000 loan amount to well over $200,000,000, constituting the greatest achievement to date in Canadian finance. There are approximately 31,000 subscribers, as compared with somewhat less than 25,000 in the case of the first war issue. Ninety-five per cent of the subscriptions are Canadian, so that the issue is a genuinely domestic one. It is apparent that the lists for the two issues overlap to a large extent, and probably not more than 40,000 or at most 45,000 individuals or corporations have subscribed to either of the two loans. If 40,000 applicants can subscribe twice over domestic war loans of $150,000,000 without any real sacrifice, what can the rest of the 8,000,000 people of Canada do when they realize that they are making an effective contribution in placing their savings at the disposal of the government? To impress the value of small amounts loaned to the country by the purchase of war bonds is the clearly defined and accepted task of the Canadian Minister of Finance.

War Munitions Credits.

As a direct result of the large oversubscription of the loan, the chartered banks have agreed to make a further advance of $50,000,000 to pay for munition orders placed in Canada by the imperial authorities. Before the loan was offered for general subscription the banks undertook to subscribe $50,000,000, on condition that no allotment be made to them if other applications reached the amount of the issue, and that they should only be called upon to make good any deficiency. In anticipation of the loan they took $30,000,000 three-months bills of the Dominion government, payable November 1, so that the loaning institutions would not be inconvenienced by a diminution of crop-moving funds. When it was seen that the banks would not be required to take any portion of the issue, Sir Thomas White urged the Canadian Bankers' Association to let the banks' fifty-million-dollar subscription stand as a munitions order credit. The banks agreed, and are taking four-months Dominion Treasury bills at 5½ per cent to the amount of the advance. The new credit brings Canada's advances to the Imperial Treasury for munitions purchases here to the creditable amount of $200,000,000, of which nearly $175,000,000 has been furnished by the chartered banks.

The credit now arranged provides for something less than two months' requirements of the Imperial Munitions Board, as the British government is spending $1,000,000 a day in Canada. Plans are under consideration for additional credits, as the amount of orders which the Dominion will receive must depend upon the amount of dollar credits which this country is able to establish for the imperial authorities. Both J. W. Flavelle, chairman of the Imperial Munitions Board in Canada, and Sir Thomas White, Minister of Finance, will go to England early this month and will discuss with the British authorities ways and means not only of increasing Canada's production of munitions but also of financing them in the Dominion.

Canadian Makers Favored.

It is estimated that if the war lasts for another year Canada must find at least $325,000,000 for purely war purposes. Probably one-fifth of this amount can be met from current revenue, leaving $260,000,000 to be raised by domestic loans and borrowings in the United States. It is hoped that the thrift campaign planned by Sir Thomas White will make it possible to secure a large part of this amount from the general Canadian public, while the banks and munitions manufacturers will be left free to finance British purchases in this country, and, by providing the needed credit, bring business to the Dominion. Thus will the happily combined interests of patriotism and good business be served.

Significant Relations

Money and Prices:	Now.		A year ago.
Stock of money gold in the country..	$2,625,741,473		$2,056,732,138
	Latest report, June 30.		Nearest period last year.
Loans of all national banks.........	$7,679,000,000		$6,659,971,000
Ratio of their cash to deposits......	9.3%		11.9%
	Last week.		A year ago.
Loans of Federal Reserve Banks.....	$106,578,000		$44,902,000
Their note circulation, net..........	14,250,000		15,378,000
Their gold reserve against deposits and circulation..................	71.4%		82.7%
	Yesterday.	The day before.	A year ago.
Average price of 15 railroad stocks..	124.57	125.68	115.45
Average price of 12 industrial stocks.	102.25	103.50	93.22
	Last week.	The w'k before.	A year ago.
Food cost of living (Annalist index number)	186.20	186.69	138.06
Production:	August.	July.	A year ago.
Unfilled U. S. steel orders, tons.....	9,660,357	9,593,592	4,908,455
	Latest gov't forecast.		Last year's crop.
Wheat crop, bushels................	611,000,000		1,012,000,000
Corn crop, bushels.................	2,710,000,000		3,055,000,000
Cotton crop, bales..................	11,637,000		11,191,820
Distribution:	September.	August.	A year ago.
Shortage of freight cars............	14,281	——	——
Surplus of freight cars.............	——	10,616	264,243
	Increase or decrease from last year. Third week of Sept. (24 roads)	Second week of Sept. (26 roads)	Jan. 1 to July 31 (77 roads)
Gross railroad earnings............	+13.2%	+14.2%	+20.9%
	Increase or decrease from last year. Last week	The w'k before.	Year to date.
Bank clearings.....................	+25.3%	+63.8%	+41.4%

Executor Chartered 1822 Trustee
The Farmers' Loan and Trust Company
Nos. 16, 18, 20 & 22 William Street
Branch Office, 475 Fifth Avenue
New York
LONDON, 15 Cockspur St., S. W., 26 Old Broad St., E. C.
PARIS, 41 Boulevard Haussmann. BERLIN, 56 Unter den Linden, N. W. 7
Travelers' Letters of Credit. Foreign Exchange.
Administrator Guardian

THE
London City & Midland Bank, LTD.
HEAD OFFICE:
5, THREADNEEDLE STREET, LONDON, E. C.
30th JUNE, 1916.
Deposits, - $787,696,280
Cash Reserve, $194,440,070
(Ratio 24.7%)
SIR EDWARD H. HOLDEN, Bart., Chairman.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY
To the Holders of Convertible Sinking Fund Five Per Cent. Gold Bonds of 1915 of Westinghouse Electric & Manufacturing Company issued and outstanding under the Trust Indenture dated July 28, 1915, between Westinghouse Electric & Manufacturing Company and Guaranty Trust Company of New York.
Notice is hereby given that Westinghouse Electric & Manufacturing Company, in accordance with the provisions of the Trust Indenture above referred to, will on the first day of January, 1917, redeem and pay, at the office of the Guaranty Trust Company of New York, No. 140 Broadway, New York City, at the rate of $1,050 and accrued and unpaid interest for each bond of $1,000 face value, all of its Convertible Sinking Fund 5% Gold Bonds of 1915, issued under the above mentioned Trust Indenture and outstanding on said January 1, 1917.
All holders of said bonds may, pursuant to the provisions of said Trust Indenture, convert the same into common stock of the Westinghouse Electric & Manufacturing Company on or before December 31, 1916, at the rate of $1,000 par value of said stock for each bond in the manner provided in said Trust Indenture.
September 27, 1916.
WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY,
By GUY E. TRIPP, Chairman.

News Digest

Foreign

London Stock Market.—London, Oct. 6.—The new French loan and British exchequer bonds are absorbing most of the money supply at the present time, and dealings on the Stock Exchange were restricted to-day. The holiday to-morrow had an additional quieting effect, and rubber and copper stocks, Japanese and low-priced American securities were about the only active shares, with coppers the firmest.

Money and discount rates were steady. Money 4½ per cent; gold premium at Lisbon, 61.00; discount rates, short and three months' bills, 5⅛ to 5⅜ per cent.

Paris Bourse.—Paris, Oct. 6.—Prices were irregular on the Bourse to-day. Three per cent rentes, 61 francs 75 centimes for cash; exchange on London, 27 francs 81½ centimes; 5 per cent loan, 90 francs.

New York

State of Trade.—Bradstreet's says: "Quick time continues the marching order in practically every line of endeavor, with new and higher levels being attained, to the tune, however, of soaring prices, penalties, by the way of superabundant prosperity in the face of short crops or straitened supplies of raw materials. The cry is that there are not enough cars to haul commodities, that there is not enough labor to hasten production, and there are not enough goods to supply insistent demands."

Business Mortality.—Commercial failures this week in the United States, as reported by R. G. Dun & Co., are 261 against 284 last week, 289 the preceding week, and 343 the corresponding week last year. Failures in Canada number 27, against 23 last week, 16 the preceding week and 39 last year. Of failures this week in the United States, 93 were in the East, 83 South, 46 West and 39 in the Pacific States.

Rising Prices and Business.—Discussing the business situation, R. G. Dun & Co. in their weekly review say that costs in many lines, in spite of the previous extensive advance, are still rising steadily and in some cases rapidly, yet each week the magnitude of demand, continuing after months of unprecedented buying, becomes more noteworthy. There is not an industry of any importance in which orders, following much less than the customary summer abatement, are not again increasing, and if in some branches the expansion is limited it is principally because of the inability or disinclination of manufacturers to commit themselves further.

International Mercantile Marine Receiver Dismissed.—The last formal step in the restoration of the company to the stockholders was taken yesterday by Judge Hough in dismissing P. A. S. Franklin as the New York receiver. Judge Hough paid a tribute to the administration of the company's affairs during the receivership period.

Other Cities

Boston Coppers.—Boston, Oct. 6.—A boom in zinc issues carried copper stocks into fresh activity to-day. American Zinc rose to 47⅛ and Butte and Superior was up to 65. Copper advances were minor. The close was easy. Copper Range, 68; Allouez, 68, Granby, 92; Old Dominion, 70.

Cleveland Companies Merge.—Cleveland, Oct. 6.—Directors of the Standard Welding Company and the Perfection Spring Company signed papers to-day merging the two corporations, subject to stockholders' approval. It is understood in business circles that this merger is to be the nucleus of a $35,000,000 motor parts corporation.

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Richmond Rate Approved.—Washington, Oct. 6.—The Federal Reserve Board to-day approved a rate of 3½ per cent on promissory notes of member banks running one to fifteen days for the Federal Reserve Bank of Richmond, Va.

Corporation Returns

Minneapolis, St. Paul & Sault Ste. Marie.

	1916.	Increase.
August gross	$1,961,943	$192,852
Net after taxes	813,899	327,261

Rutland Railroad.

August gross	$353,179	$25,861
Net after taxes	101,288	14,290

Denver & Rio Grande.

August gross	$2,360,603	$118,332
Net after taxes	875,107	130,749

Rio Grande Southern.

August gross	$49,742	$4,151
Net after taxes	16,606	9,807

Dividends

Brown Shoe.—Regular quarterly dividend of 1¾ per cent on the preferred stock, payable November 1 to stock of record October 25.

Westinghouse Air Brake.—Extra dividend of 10 per cent, or $5 a share, payable November 21 to stock of record October 31.

Atlas Powder.—Regular quarterly dividend of 1½ per cent on the preferred stock, payable November 1 to stock of record October 20.

Cole Motor Car.—Dividend of 3 per cent, making a total of 23 per cent declared so far this year.

Manati Sugar.—Common stock dividend of 20 per cent on the common stock, at par, payable November 8 to stock of record October 31; a cash dividend of 2½ per cent on the common stock, including that to be issued for the stock dividend, payable December 1 to stock of record November 20, and three other instalments on the common of 2½ per cent each, payable March 1, June 1 and September 1, 1917.

Midwest Refining.—Regular quarterly dividend of 2 per cent, payable November 1.

Commonwealth Power, Railway & Light.—Regular quarterly dividends of 1½ per cent on the preferred and 1 per cent on the common stocks, both payable November 1 to stock of record October 20.

Rubber Output Increasing.

The world's output of rubber in 1915 was approximately 150,000 tons, against 120,000 tons in 1914, the proportion of plantation-grown rubber being 104,000 tons in 1915 against 71,000 tons in 1914. It is anticipated that the production of plantation rubber in 1916 will be about 140,000 tons.